

RESPONSE TEMPLATE FOR THE ED OF PROPOSED NARROW-SCOPE AMENDMENTS TO IAASB STANDARDS ARISING FROM THE IESBA'S USING THE WORK OF AN EXTERNAL EXPERT PROJECT

Guide for Respondents

Comments are requested by **July 24, 2025**.

This template is for providing comments on the Exposure Draft (ED) of proposed Narrow-Scope Amendments to International Auditing and Assurance Standards Board® (IAASB®) Standards Arising from the International Ethics Standards Board for Accountants' (IESBA) Using the Work of an External Expert project, in response to the questions set out in the Explanatory Memorandum (EM) to the ED. It also allows for respondent details, demographics and other comments to be provided. Use of the template will facilitate the IAASB's automated collation of the responses.

You may respond to all questions or only selected questions.

To assist our consideration of your comments, please:

- For each question, start by indicating your overall response using the drop-down menu under each question. Then below that include any detailed comments, as indicated.
- When providing comments:
 - Respond directly to the questions.
 - Provide the rationale for your answers. If you disagree with the proposals in the ED, please provide specific reasons for your disagreement and specific suggestions for changes that may be needed to the requirements, application material or appendices. If you agree with the proposals, it will be helpful for the IAASB to be made aware of this view.
 - Identify the specific aspects of the ED that your response relates to, for example, by reference to sections, headings or specific paragraphs in the ED.
 - Avoid inserting tables or text boxes in the template when providing your responses to the questions because this will complicate the automated collation of the responses.
- Submit your comments, using the response template only, without a covering letter or any summary of your key issues, instead identify any key issues, as far as possible, in your responses to the questions.

The response template provides the opportunity to provide details about your organization and, should you choose to do so, any other matters not raised in specific questions that you wish to place on the public record. All responses will be considered a matter of public record and will ultimately be posted on the IAASB website.

Use the “**Submit Comment**” button on the ED [web page](#) to upload the completed template.

Responses to IAASB's Request for Comments in the EM for the ED, Proposed Narrow-Scope Amendments to IAASB Standards Arising from the IESBA's Using the Work of an External Expert Project

PART A: Respondent Details and Demographic information

Your organization's name (or your name if you are making a submission in your personal capacity)	Nordic Federation of Public Accountants
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Helene Agélii
Name(s) of contact(s) for this submission (or leave blank if the same as above)	
E-mail address(es) of contact(s)	Helene.agelii@nrfaccount.org
Geographical profile that best represents your situation (i.e., from which geographical perspective are you providing feedback on the ED). Select the most appropriate option.	<u>Europe</u>
	If "Other", please clarify
The stakeholder group to which you belong (i.e., from which perspective are you providing feedback on the ED). Select the most appropriate option.	<u>Professional accountancy or other professional organization (PAO or similar)</u>
	If "Other", please specify
Should you choose to do so, you may include information about your organization (or yourself, as applicable).	

Should you choose to do so, you may provide overall views or additional background to your submission. **Please note that this is optional.** The IAASB's preference is that you incorporate all your views in your comments to the questions (also, the last question in Part B allows for raising any other matters in relation to the ED).

Information, if any, not already included in responding to the questions in Parts B and C:

PART B: Responses to Questions in the EM for the ED

For each question, please start with your overall response by selecting one of the items in the drop-down list under the question. Provide your detailed comments, if any, below as indicated.

Overall Question

Public Interest Responsiveness

1. Do you agree that the proposed narrow-scope amendments are responsive to the public interest, considering the qualitative standard-setting characteristics and standard-setting actions in the project proposal? If not, why not?

(See EM, Section 1-A)

Overall response: Neither agree/disagree, but see comments below

Detailed comments (if any):

The Exposure Draft (ED) does not present any critical deficiencies; however, it also does not appear to offer substantive enhancements. With the exception of one proposal, which introduces a general reference to ethical considerations when relying on the work of an expert, the proposed amendments are limited to application material. We also note that the revisions to the IESBA Code of Ethics, which underpin the proposed changes to the ISAs, are not effective until December 15, 2026. Accordingly, any resulting changes to current practice will ultimately stem from the implementation of the revised Code, rather than from the amendments to the IAASB standards themselves.

While the proposals may serve as useful reminders and provide educational value by elucidating the rationale underlying current IAASB standard language and its alignment with the Code, such explanations might be more appropriately positioned within non-authoritative guidance.

We continue to be strong advocates of enhanced cooperation between the IAASB and the IESBA, especially in efforts that foster an integrated mindset and discourage treating audit and ethics requirements in isolation. To ensure a more cohesive and deliberate approach, we suggest that the IAASB and IESBA consider formally agreeing on a collaborative framework through a joint initiative. Such an agreement would not only affirm a shared commitment to addressing cross-cutting issues that affect both boards in an integrated and holistic manner but also serve to formalize specific protocols for how collaboration should be carried out in practice. See also our response to Question 4.

Finally, in cases such as this, where the proposals are not expected to prompt behavioral change, we believe a more robust cost-benefit assessment is warranted. This analysis should include considerations such as the impact on the volume of the standards, translation costs, and the implications for outreach and education efforts within firms and professional accountancy organizations (PAOs).

Specific Questions*Proposed Narrow-Scope Amendments to ISA 620¹*

2. Do you agree that the proposed narrow-scope amendments to ISA 620 are appropriate to maintain interoperability with the new provisions in the Code related to using the work of an external expert?

(See EM, Section 1-C)

Overall response: Disagree, with comments below

Detailed comments (if any):

We appreciate the continued effort to enhance alignment between the ISAs and the Code, as interoperability between these frameworks is fundamental to promoting consistent and effective audit practice globally. However, we have reservations regarding the proposed amendments as currently drafted.

While the ED introduces a single amendment to the requirements—namely, the addition in paragraph 8 referencing “provisions of relevant ethical requirements related to using the work of an expert”—this appears to function more as a reminder than a substantive enhancement. Practitioners are already required to comply with ethical provisions grounded in jurisdictional laws and regulations; the proposed wording does not introduce a new obligation but reiterates an existing principle.

A particular area of concern — previously explored during the IESBA’s deliberations — is the compatibility of the Code’s prohibition on using the work of an external expert who fails to meet competence, capabilities, and objectivity (CCO) criteria, with the language of ISA 620. The ED asserts that ISA 620 contains an implicit presumption against use in such circumstances, citing paragraph A14. However, A14 merely states that CCO factors “significantly affect” whether the expert’s work is adequate for audit purposes. It does not establish a clear prohibition on use in certain conditions.

In our view, the simultaneous retention of paragraph A14 and the introduction of paragraph A31A gives rise to ambiguity that may compromise the clarity necessary for effective interoperability between ISA 620 and the Code. The reference to the Code in paragraph A19A, while noted, does not sufficiently resolve this issue.

To enhance consistency with the Code, we recommend that ISA 620 be revised to more explicitly set out the conditions under which the auditor is precluded from using the work of an expert who does not meet the relevant ethical requirements. This could be achieved by either (i) reinforcing the language in paragraph A14, or (ii) elevating the principle into a requirement paragraph, aligned with the Code’s prohibition.

Clarifying this linkage would improve the interpretability of the standards and the Code, and reinforce the intended integration of ethical and auditing requirements.

¹ International Standard on Auditing (ISA) 620, *Using the Work of an Auditor's Expert*

If you do not agree, what alternatives do you suggest (please identify the specific paragraphs and be specific as to why you believe the proposals are not appropriate, and why you believe your alternatives would be more appropriate)?

Detailed comments (if any):

See above.

Proposed Narrow-Scope Amendments to ISRE 2400 (Revised),² ISAE 3000 (Revised)³ and ISRS 4400 (Revised)⁴

3.1 Do you agree that the proposed narrow-scope amendments to ISRE 2400 (Revised) are consistent with the proposed amendments to ISA 620, and are appropriate to maintain interoperability with the new provisions in the Code related to using the work of an external expert?

(See EM, Section 1-D)

Overall response: Disagree, with comments below

Detailed comments (if any):

We recognize that ISRE 2400, as a stand-alone standard for review engagements, adopts a necessarily more compact structure compared to ISA 620. This is evident in the consolidation of requirements relating to the use of a practitioner's expert into a single paragraph (paragraph 55), whereas ISA 620 provides more comprehensive and detailed guidance.

The ED introduces three new application paragraphs which appear to replicate aspects of the proposed revisions to ISA 620. While this alignment is welcomed, we have the following observations:

ISA 620, and by extension the IESBA Code, present a two-step evaluation process: (i) assessing the expert's competence, capabilities, and objectivity (CCO); and (ii) if the expert is deemed to meet those criteria, evaluating the adequacy of their work. This structure provides clarity on the sequential nature of the evaluations required. In contrast, paragraph 55 of ISRE 2400 does not make this distinction explicit, which could give rise to interpretive inconsistencies in application.

Paragraph A97A repeats the core wording of ISA 620 A14, stating that the CCO of the expert "significantly affects" whether their work is adequate for the practitioner's purposes. If the Board's intention is to convey a prohibition against using the work of an expert who fails to meet the CCO

² International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements*

³ International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*

⁴ International Standards on Related Services (ISRS) 4400 (Revised), *Agreed-upon Procedures Engagements*

criteria, we recommend that this be stated more clearly. As currently drafted, A97A—when read in conjunction with A97B and A97C—does not sufficiently clarify whether failing to meet CCO criteria precludes reliance on the expert’s work. This ambiguity leaves unresolved the alignment of ISRE 2400 with both ISA 620 and the IESBA Code.

If you do not agree, what alternatives do you suggest (please identify the specific paragraphs and be specific as to why you believe the proposals are not appropriate, and why you believe your alternatives would be more appropriate)?

Detailed comments (if any):

We recommend that the Board consider: (a) making the two-step evaluation approach explicit within paragraph 55; and (b) clarifying whether a failure to meet the CCO criteria constitutes a de facto prohibition on using the expert’s work.

3.2 Do you agree that the proposed narrow-scope amendments to ISAE 3000 (Revised) are consistent with the proposed amendments to ISA 620, and are appropriate to maintain interoperability with the new provisions in the Code related to using the work of an external expert?

(See EM, Section 1-E)

Overall response: Agree, with comments below

Detailed comments (if any):

We note a structural inconsistency between ISA 620 and ISAE 3000: specifically, content that is presented as application material in paragraph A121 of ISAE 3000 appears as a requirement (paragraph 8) in ISA 620.

That said, the interoperability concerns we previously raised in relation to ISA 620 and ISRE 2400—particularly around ethical alignment and the clarity of evaluative steps—do not appear to be present in the relationship between ISA 620 and ISAE 3000. In this case, the differentiation in form does not result in interpretive or practical misalignment.

If you do not agree, what alternatives do you suggest (please identify the specific paragraphs and be specific as to why you believe the proposals are not appropriate, and why you believe your alternatives would be more appropriate)?

Detailed comments (if any):

3.3 Do you agree that the proposed narrow-scope amendments to ISRS 4400 (Revised) are consistent with the proposed amendments to ISA 620, and are appropriate to maintain interoperability with the new provisions in the Code related to using the work of an external expert?

(See EM, Section 1-F)

Overall response: Agree, with comments below

Detailed comments (if any):

As noted above, we believe that certain aspects of the proposed amendments to ISA 620 would benefit from further revision and clarification. In particular, the ambiguities and inconsistencies we have identified between the language of ISA 620 and its references to the IESBA Code of Ethics affect our overall assessment of the standard's internal coherence.

In contrast, we do not identify the same level of concern in relation to the proposed amendments to ISRS 4400. The changes suggested in ISRS 4400 appear to be appropriately aligned with the Code of Ethics and contribute to maintaining interoperability between the standards.

If you do not agree, what alternatives do you suggest (please identify the specific paragraphs and be specific as to why you believe the proposals are not appropriate, and why you believe your alternatives would be more appropriate)?

Detailed comments (if any):

Other Matters

4. Are there any other matters you would like to raise in relation to the ED? If so, please clearly indicate the standard(s), and the specific requirement(s) or application material, to which your comment(s) relate.

Overall response: Yes, with comments below

Detailed comments (if any):

As noted in our response to Question 1, we recommend that the IAASB and IESBA launch a joint initiative to establish a formally agreed framework for sustained collaboration. We urge both boards to endorse this framework unanimously, underscoring the importance of coordinated action on matters that impact both ethical and assurance standards. The purpose of this initiative is to ensure a holistic, consistent, and responsive approach to evolving professional and public interest demands.

Specifically, the framework should clearly define the scope and nature of collaboration between the IAASB and IESBA, and establish detailed procedures for joint decision-making, harmonized drafting processes, and mechanisms to facilitate timely and consistent updates across both sets of standards. It

should also include practical protocols specifying when collaboration should be initiated and provide guidance on identifying circumstances where revisions to the IESBA Code necessitate corresponding amendments to the ISAs. This is particularly important in relation to paragraph 14 of ISA 200, which requires compliance with “relevant ethical requirements, including those related to independence.”

Part C: Request for General Comments

The IAASB is also seeking comments on the matters set out below:

5. Translations—Recognizing that many respondents may intend to translate the final narrow-scope amendments for adoption in their own environments, the IAASB welcomes comment on potential translation issues respondents note in reviewing the ED.

Overall response: [See comments on translation below](#)

Detailed comments (if any):

We refer to our response to Question 1, where we highlight the value of cost-benefit analyses in situations where the practical impact of proposed changes is not immediately evident.

6. Effective Date—Given the public interest benefit of aligning the effective date of these proposed narrow-scope amendments with the effective date of the revised Code provisions related to using the work of an external expert, the IAASB believes that an appropriate implementation period would be approximately 12 months after the PIOB's process of certification of the final narrow-scope amendments. The IAASB welcomes comments on whether this would provide a sufficient period to support effective implementation of the narrow-scope amendments.

(See EM, Section 1-G)

Overall response: [See comments on effective date below](#)

Detailed comments (if any):

We note that the proposed amendments, except for the suggested change to paragraph 8 in ISA 620, are limited to application material and primarily serve to reference requirements already established in the IESBA Code of Ethics. In such cases, where the application material reiterates obligations that auditors are already required to comply with through adherence to the Code, the practical consequences of the changes may be limited. While the proposed additions may enhance clarity or reinforce awareness, they do not introduce new responsibilities. As such, we believe it is important to consider the role of the effective date in these circumstances, and to clearly communicate that the revisions are explanatory in nature. This distinction can help avoid confusion and ensure that implementation efforts remain proportionate to the nature and impact of the changes.